

**MINUTES OF SPECIAL MEETING
OPEN SESSION
May 31, 2011
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, May 31, 2011 a Special Meeting of the Illinois Gaming Board ("Board") was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Tuesday, May 31, 2011 at approximately 9:30 A.M. the following Board members were present: Members Charles Gardner, Joseph Moore and Eugene Winkler. At 9:44 A.M. on Tuesday, May 31, 2011, Member Gardner called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Investigations concerning applicants and licensees; and**
3. **Closed session minutes.**

Member Moore seconded the motion. The Board approved the motion unanimously by voice vote. Chairman Jaffe entered the meeting at 9:54 A.M. The Board recessed and went into open session at 10:30 A.M. Present were the following: Chairman Jaffe, Members: Charles Gardner, Eugene Winkler, and Joseph Moore.

OWNER LICENSEE ITEMS –

- Item for Final Consideration –
 - Midwest Gaming & Entertainment, LLC – PG Casino Investment LLC – Owner

Legal Counsel John Janicik appeared before the Board.

Administrator Ostrowski stated that PG Casino Investment, LLC or (PGCI) is before you for approval of its potential ownership of Midwest Gaming & Entertainment, LLC. PGCI will own its interests in Midwest through Casino Investors, LLC. Ninety percent of PGCI will be owned by minority persons as defined in the Riverboat Gambling Act. As of today, that ninety percent of PGCI is owned by Prashant Gupta, who the Board approved at its February 2011 meeting. Mr. Gupta will be the managing member of PGCI. The other ten percent of PGCI is owned by High Plains Gaming, LLC and CVG Chicago Gaming, LLC, who the Board has also previously approved at its February 2010 meeting. Only the ninety percent that is owned by minority persons will count towards the requirement of section 7.1(b) of the Riverboat Gambling Act.

PGCI will be financed through small equity investments from its members. The equity contributions will determine the number of common units each member holds. The members of PGCI will have voting rights equal to the common units they hold. The remainder of the financing will come from loans from HPG and CVG to PGCI. These loans will be non-recourse.

The additional minority persons investing in PGCI will come before the Board for their ownership approval at future meetings. These individuals will all be affiliates of the Bluhm family.

Based on a review of staff's investigation and recommendation, Member Gardner moved that **the Board approve PG Casino Investment, LLC, 90% of which is owned by individuals who are “minority persons” as defined under the Illinois Riverboat Gambling Act, and which intends to indirectly own interests in Midwest Gaming & Entertainment, LLC through Casino Investors, LLC.**

Member Gardner further moved that **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC from CVG Chicago Gaming, LLC and High Plains Gaming, LLC and the issuance of interests to Casino Investors, LLC consistent with the financing documents previously provided to the Board.**

Furthermore Member Gardner moved that **pursuant to Section 3000.235(b) of the Adopted Rules to approve the pledge by PG Casino Investment, LLC of its interests in Casino Investors, LLC as collateral for its obligations under notes to be issued by PG Casino Investment, LLC consistent with the financing documents previously provided to the Board.**

Member Moore seconded the motion. The Board approved the motion 3-1 with Member Winkler voting Nay.

Member Winkler explained why he voted “no” to the motion. Member Winkler stated: We are in a bind in terms of time to get this casino running. Mr. Bluhm has made good faith efforts to get minority investors. I think the plan to have Mr. Gupta and his minority investors is a “fall back”. Member Winkler went on to state that he worries about the transparency of this, he also stated that he worries about what this means. Member Winkler also stated that he knows that many minority investors; according to our staff; and by the way our staff has done an excellent job in getting this prepared, are afraid to invest because of what the legislators are doing, trying to turn Illinois into the Las Vegas of the Midwest. Member Winkler stated that minority investors are a crucial part of this and there are not enough minority investors so he votes ‘no’.

At 10:50 A.M. Member Gardner motioned to adjourn and Member Moore seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator